

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2669

February 12, 2018

SUMMARY OF BILL: Requires the Department of Education (DOE) to create a driver education voucher program for students in Title I schools. Requires the Office of Research and Accountability (OREA) of the Comptroller of the Treasury (COT) to study the program and make recommendations to the House Education Administration and Planning Committee and the Senate Education Committee by February 1, 2021.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$297,300/FY18-19
\$709,800/FY19-20 and Subsequent Years**

Assumptions Related to Administrative Expenditures:

- The DOE will start accepting applications for the program in January 2019.
- The DOE will require one additional education consultant to manage the program and one additional accountant to review applications.
- The Education Consultant position will receive a salary of \$55,128, benefits of \$16,401, and supplies and travel of \$15,000 for a total cost of \$86,529 (\$55,128 salary + \$16,401 benefits + \$15,000).
- The accountant position will receive a salary of \$47,616, benefits of \$15,154, and supplies and travel of \$15,000 for a total cost of \$77,770 (\$47,616 salary + \$15,154 benefits + \$15,000).
- There will be two additional one-time increases state expenditures of \$1,500 for onboarding expenses in FY18-19 for a total of \$3,000 (\$1,500 x 2).
- This results in an increase of \$167,299 (\$77,770 + \$86,529 + \$3,000) in FY18-19 and \$164,299 (\$77,770 + \$86,529) in FY19-20 and subsequent years for staff related expenditures.

Assumptions related to Application and System Needs:

- The DOE will need to expand its contract with HMB, the vendor the Department contracts with for voucher related solutions as well as to develop an online application for this new voucher system.

- This will result in a one-time increase in state government expenditures of \$120,000 in FY18-19.
- There will be a recurring increase in state expenditures beginning in FY18-19 for application appeals and translation of \$10,000.

Assumptions Related to Voucher Payments:

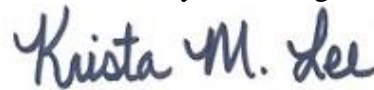
- This legislation specifies that this act shall not be construed to be an appropriation of funds; however, in order for the voucher program to be sufficiently implemented an appropriation from the General Fund would be required.
- Voucher payments will begin in FY19-20.
- The average per pupil expenditure for driver education is estimated to be \$89.25.
- An estimated 6,000 students from Title 1 schools will apply for and receive vouchers each year.
- This will result in a recurring increase in state government expenditures of \$535,500 (6,000 x \$89.25) in FY19-20 and subsequent years for voucher payments.

Assumptions Related to the Total Fiscal Impact:

- Any costs related to the COT studying the program and making recommendations is estimated to be not significant and can be accommodated within existing resources without an additional appropriation or reduced reversion.
- The total increase in state government expenditures related to the voucher program will be \$297,299 (\$167,299 + \$120,000 + \$10,000) in FY18-19 and \$709,799 (\$164,299 + \$10,000 + \$535,500) in FY19-20 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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